

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT**Division of Housing Policy Development**

1800 Third Street, Suite 430
P. O. Box 952053
Sacramento, CA 94252-2053
(916) 323-3177
FAX (916) 327-2643



February 18, 2005

Ms. Laura Kuhn
Community Development Director
City of Scotts Valley
1 Civic Center Drive
Scotts Valley, Ca 95066

Dear Ms. Kuhn:

RE: Review of the City of Scotts Valley's Revised Housing Element

Thank you for submitting revisions to Scotts Valley's housing element, received for review on December 21, 2004. As you know, the Department is required to review draft housing elements and report the findings to the locality pursuant to Government Code Section 65585(b). A series of telephone calls and e-mail exchanges beginning in March 2004 with you and Mr. Mark Hoffman, the City's consultant, facilitated the review.

While the draft revisions address many of the statutory requirements described in the Department's October 14, 2003 review, the revisions described below remain necessary to comply with State housing element law (Article 10.6 of the Government Code). In particular, the element's land inventory still does not demonstrate the adequacy of the City's proposed mixed-use development strategy to accommodate its regional share need for lower-income households.

A. Housing Needs, Resources and Constraints

1. *Include an inventory of land suitable for residential development, including vacant sites and sites having the potential for redevelopment, and an analysis of the relationship of zoning and public facilities and services to these sites (Section 65583(a)(3)).*

As indicated in the prior review, the element demonstrates the City has a sufficient supply of land/sites to accommodate its regional share housing need in total. Although the revisions now include summary descriptions of the Skypark and Gateway specific plan areas, and the Old Quarry site, it appears the City's ability to accommodate its remaining regional housing share for lower-income household is reliant on the successful implementation of a mixed-use development strategy along Scotts Valley Road, Skypark Drive, and Mt. Herman Road. The City is to be commended for committing to increase densities (along these commercial corridors) to 20-25 dwelling units per acre and eliminating the secondary use requirement for residential development as suggested in the prior review. However, while the element

includes a program action (Program 7) to create a new commercial zone covering 12-15 acres with the intent of fostering mixed-use development, the element's land inventory needs to be expanded to identify and describe the specific commercially zoned sites or areas along these corridors that will be targeted (for upzoning), and analyze the suitability (i.e., size) and availability of these sites.

In addition, where there are active uses, the element should discuss the viability of these sites being redeveloped with high density residential uses within the current planning period.

B. Housing Programs

1. *Identify adequate sites which will be made available through appropriate zoning and development standards and with public services and facilities needed to facilitate and encourage the development of a variety of types of housing for all income levels, including rental housing, factory-built housing, mobilehomes, and emergency shelters and transitional housing. Where the inventory of sites, pursuant to paragraph (3) of subdivision (a), does not identify adequate sites to accommodate the need for groups of all household income levels pursuant to Section 65584, the program shall provide for sufficient sites with zoning that permits owner-occupied and rental multifamily residential use by right, including density and development standards that could accommodate and facilitate the feasibility of housing for very low- and low-income households (Section 65583(c)(1)).*

The adequacy of sites cannot be established prior to a more detailed land inventory analysis as noted in A.1. In addition, the following site programs should be revised as follows:

Mixed-Use Housing (Program 7): The inventory of sites does not identify adequate sites to accommodate the City's regional share need for lower-income households. To address the shortfall, the City is proposing this program action to encourage and facilitate mixed-use development along three major commercial corridors. Program 7 must be expanded to include an action that commits the City to allowing owner-occupied and rental multifamily residential uses "by right" in the new commercial zone as required pursuant to Government Code Section 65583(c)(1)(A). The City's proposal to require a conditional use permit conflicts with this statutory requirement.

This program should also be expanded to: (1) describe the City's role in promoting the availability of these sites to the local development community, and (2) include a monitoring component to track whether higher density residential development is occurring at a rate commensurate with City's need for lower-income households. If the results of this monitoring reveal that development of affordable housing is not keeping pace with the identified need, Program 7 should commit the City to developing and adopting additional incentives to increase the attractiveness and viability of the mixed-use sites.

2. *The housing program shall promote equal housing opportunities for all persons, regardless of race, religion, sex, marital status, ancestry, national origin or color (Section 65583(c)(5)).*

The element was not revised to describe the City's efforts to more broadly disseminate fair housing information (see our October 14, 2003 review).

Once the City has revised the element to address the aforementioned statutory requirements, the element will be in compliance with State housing element law (Article 10.6 of Government Code).

We hope our comments are helpful and would be glad to assist the City in addressing the above requirements. If you would like to schedule another meeting or have any questions or concerns, please contact Don Thomas, of our staff, at (916) 445-5854.

In accordance with their requests pursuant to the Public Records Act, we are forwarding a copy of this letter to the individuals listed below.

Sincerely,



Cathy E. Creswell
Deputy Director

cc: Mark Stivers, Senate Committee on Transportation & Housing
Suzanne Ambrose, Supervising Deputy Attorney General, AG's Office
Terry Roberts, Governor's Office of Planning and Research
Nick Cammarota, California Building Industry Association
Marcia Salkin, California Association of Realtors
Marc Brown, California Rural Legal Assistance Foundation
Rob Weiner, California Coalition for Rural Housing
John Douglas, AICP, Civic Solutions
Deanna Kitamura, Western Center on Law and Poverty
S. Lynn Martinez, Western Center on Law and Poverty
Alexander Abbe, Law Firm of Richards, Watson & Gershon
Michael G. Colantuono, Colantuono, Levin & Rozell, APC
Ilene J. Jacobs, California Rural Legal Assistance, Inc.
Richard Marcantonio, Public Advocates
Jeanell Montero, Citizens/Planning Reform
Bruce Reed, Santa Cruz County Builders Exchange
David Booher, California Housing Council
John Swift, Hamilton-Swift Land Use & Dev. Consultants
Patti Bonar, Santa Cruz County Builders Exchange
Ron Zumbrun, Pacific Legal Foundation
Daniel Garr, Professor, San Jose State University
Cynthia Mathews, Friends of Downtown
Harold Griffith